

JONES DAY

500 GRANT STREET, SUITE 4500 • PITTSBURGH, PENNSYLVANIA 15219.2514

TELEPHONE: +1.412.391.3939 • FACSIMILE: +1.412.394.7959

DIRECT NUMBER: (412) 394-7911
JDGOETZ@JONESDAY.COM

December 13, 2022

BY CM / ECF

The Honorable Carl L. Bucki, U.S.B.J.
United States Bankruptcy Court, Western District of New York
Robert H. Jackson U.S. Courthouse
2 Niagara Square
Buffalo, New York 14202

Re: *The Diocese of Buffalo, N.Y.*
Chapter 11 Case No. 20-10322-CLB

Dear Judge Bucki:

During the hearing on December 12, 2022, the Court invited Jones Day to write this letter to Your Honor in connection with Jones Day's application for compensation in the *Fourth Application for Compensation for Jones Day* [Dkt. 2035] (the "Fourth Application"). The Fourth Application covers the period of February 1, 2022 through July 31, 2022. As we stated at the hearing, Jones Day worked with the U.S. Trustee's office to resolve its objection to the Fourth Application. With this letter, we address a question raised by the Court concerning the Fourth Application and respectfully request that the Court grant Jones Day's Fourth Application and its *Third Application for Compensation for Jones Day* [Dkt. 1678], on terms agreed upon with the Office of the U.S. Trustee as outlined below.

A. Questions Concerning Expense Items Reflected on April 7 and May 12, 2022

The Court requested additional detail concerning the travel expenses invoiced on April 7, 2022 and May 12, 2022 and the services to which those travel expenses relate. Consistent with the firm's standard practice, and the practice of other professionals retained in this Chapter 11 case, Jones Day invoices disbursements to its clients after those expenses are incurred and after associated services have been rendered. In the instances identified by the Court at the hearing, as is common, the expenses were incurred and then entries in connection with them were made on April 7 and May 12, 2022, respectively.

The expense for travel to Washington, D.C. invoiced on April 7, 2022 was incurred in connection with travel to Washington, D.C. on March 10, 2022, to prepare and accompany the client in a meeting in Washington, D.C., at which the New York Attorney General lawsuit was to be addressed. The professional services in connection with this travel are described on page 35 of the Fourth Application, and Jones Day provided additional detail regarding this work performed on March 10, 2022 during the hearing on December 12. The expense for travel to

December 13, 2022

Page 2

New York City invoiced on April 7, 2022 was incurred in connection with in-person settlement negotiations with the Office of the Attorney General on March 16, 2022. The professional services in connection with this in-person settlement meeting are described on page 36 of the Application.

The entry on the expense report for May 12, 2022 is in connection with airfare related to the March 10, 2022 meeting, described above. It was not an expense but a credit, to be attributed to the Diocese. As is customary, this credit to the Diocese was properly reflected on the Diocese's May 2022 invoice.

B. The Third Application

On April 22, 2022, Jones Day filed the *Third Application for Compensation for Jones Day* [Dkt. 1678] (the "Third Application") seeking approval of fees totaling \$499,869 for services rendered from September 1, 2021 through January 31, 2022 and expenses totaling \$8,251.23. Jones Day resolved a limited objection by the Office of the United States Trustee by agreeing to a \$4,000 voluntary reduction of compensation sought on the Third Application. At the hearing on June 27, 2022, the Court took the Third Application under advisement until it had the opportunity to review a final settlement agreement between the Diocese and the New York State Attorney General. As the Court is aware, the District Court so ordered the parties' Stipulated Final Order and it formally went effective upon this Court's entry of its decision and order granting the Diocese's motion to retain the independent auditor who is to perform services in connection with the Stipulated Final Order.

Because the Stipulated Final Order is now effective, Jones Day respectfully requests that the Court enter an order authorizing compensation in the amount of \$495,869 for services rendered to the Debtor from September 1, 2021 through January 31, 2022, plus reimbursement of expenses in the amount of \$8,251.23, for total compensation of \$504,120.23 on an interim basis. This is the amount requested in the Third Application, less the agreed \$4,000 reduction to address the U.S. Trustee's limited objection.

C. The Fourth Application

At the December 12, 2022 hearing, the Court took the Fourth Application under advisement pending a further explanation concerning the expense items addressed above. With that explanation, which we respectfully submit should address the Court's questions, Jones Day respectfully requests that the Court enter an order authorizing compensation in the amount of \$519,636 for services rendered to the Diocese from February 1, 2022 through July 31, 2022, plus reimbursement of expenses in the amount of \$7,525.25, for total payment of \$527,161.25, with no holdback. This is the amount requested in the Fourth Application, less a \$20,000 reduction as

December 13, 2022

Page 3

agreed between Jones Day and the U.S. Trustee to resolve the U.S. Trustee's objection to the Fourth Application.

* * *

In sum, as explained above, Jones Day respectfully requests that the Court grant the Third and Fourth Applications and authorize the Debtor to compensate Jones Day in the amounts of \$504,120.23, in connection with the Third Application, and \$527,161.25, for the Fourth Application, less any amounts previously paid to Jones Day pursuant to the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Members of Official Committees* [Dkt. 362]. The unpaid fees for services that Jones Day provided to the Diocese total \$95,509.80 for the Third Application and \$87,439.80 for the Fourth Application. We thank the Court for its consideration.

Respectfully submitted,

/s/ John D. Goetz

John D. Goetz